

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA**

<b>UNITED STATES OF AMERICA</b>	*	<b>CRIMINAL NO. 08-176</b>
<b>v.</b>	*	<b>SECTION: "I"</b>
<b>WILLIAM E. BRADLEY</b>	*	<b>VIOLATION: 18 U.S.C. § 2</b> <b>18 U.S.C. § 371</b>

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**FACTUAL BASIS**

Should this matter have been tried before a jury, the government would have proved beyond a reasonable doubt, through the introduction of competent testimony and admissible tangible exhibits, including the testimony of special agents from the Federal Bureau of Investigation (FBI), and the Internal Revenue Service Criminal Investigation Division (IRS):

1. The State of Louisiana is a sovereign state of the United States that received federal assistance in excess of \$10,000 annually.
2. The Governor's Office of Film and Television Development (GOFTD) was a state agency subject to the control of the State of Louisiana.
3. In the years 2003 through 2005, MARK SMITH (SMITH), was the Director of the GOFTD and in such capacity was an agent of the State of Louisiana.

4. **WILLIAM E. BRADLEY (BRADLEY)** was an attorney licensed to practice law in Louisiana. He was acquainted with SMITH, as the two had attended law school together.
5. Louisiana Institute of Film Technology, LLC, hereinafter referred to as LIFT, LLC, was a Louisiana limited liability company established by the defendant, **MALCOLM R. PETAL (PETAL)**, and two other individuals. LIFT, LLC was a company engaged in the business of producing films commercials, music festivals, and other media-related projects within the State of Louisiana under the jurisdiction of the GOFTD.
6. Break Beat, LLC (Break Beat) was a Louisiana limited liability company owned solely by **PETAL**. Among other things, Break Beat sought film tax credits in connection with the filming of live music festivals in 2002 and 2003.
7. **BRADLEY** represented LIFT/ Break Beat in matters relating to Louisiana film tax credits. **BRADLEY** had been introduced to **PETAL** by SMITH, who indicated **BRADLEY** was a friend who was seeking work in the film industry.
8. Prior to his being hired to represent **PETAL's** company, **BRADLEY** had no prior experience with representing a client who was seeking Louisiana film tax credits.
9. **PETAL** through **BRADLEY** as the conduit, agreed to provide something of value to SMITH in connection with the certification of Louisiana film tax.
10. Admissible documents and testimony would be introduced to prove that on or around December 8, 2003, the State of Louisiana, by and through its agent, SMITH, certified

\$1,350,000 in tax credits for Break Beat, LLC, and its principal, **PETAL**, associated with Break Beat.

11. Bank records and other admissible documents and evidence would prove that, in the weeks and months following the December 8, 2003 tax credit approval for Break Beat, **PETAL** paid **BRADLEY** the total sum of \$135,000 from accounts in the name of “LIFT-Break Beat, LLC” and “LIFT-Evil Remains, LLC”.
12. **BRADLEY** has, and would, acknowledge that he paid SMITH 50% of that sum, or \$67,500, in cash in exchange for SMITH’s certifying Louisiana tax credits to **PETAL** and Break Beat, LLC, in the amount of approximately \$1,350,000.

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Date

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Assistant U.S. Attorney  
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Date

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WILLIAM E. BRADLEY  
Defendant

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Date

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GARY SCHWABE, ESQ.  
Attorney for Defendant

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Date